OFFERING MEMORANDUM CHILI'S 5170 N. 9TH AVE. PENSACOLA, FL

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REPRESENTATIVE PHOTO





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INVESTMENT HIGHLIGHTS

Location

- » Next to ±3M square feet of retail, medical, and office. The property is an out-parcel to the Cordova mall and sandwiched in the middle of the main retail corridor. Retailers include: Target, AMC, Publix, Lowe's, Home Depot, Walmart, Sam's Club, Michaels, Marshalls, and many more.
- » Property is across from the hub of Sacred Heart Health System which is the largest healthcare provider in Northwest Florida. Sacred Heart Hospital in Pensacola, FL is 566 beds and the regions only facility specializing in the care of Children.
- » Pensacola, FL is one of the largest cities in Florida and the site benefits from ±150,000 residents in the five mile and strong growth. The property is located next to Pensacola International Airport.

Property

- » Absolute NNN Ground Lease with Increases: The property is on an absolute NNN ground lease with rent increases every 5 years including the base term and options.
- » Relocation Store: The property is a relocation of a smaller Chili's located less than 1-mile away showing strong commitment to the market.

Tenant

- » Extremely Healthy Rent-to-Sales Ratio: On average, Chili's does over \$3M in annual sales volume which would represent under a 5% rent-to-sales ratio.
- » Brinker International: Brinker International is one of the largest and strongest restaurant companies in the world with a market cap of \$1.76B and an investment grade credit rating.

Financial Overview

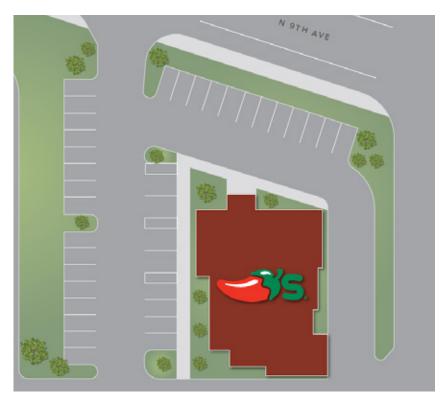






Pensacola, FL





Investment Summary

» LIST	T PRICE	\$2,381,000
» NOI	(YEAR 1)	\$125,000
» CAP	RATE (YEAR 1)	5.25%
» тот	AL BUILDING AREA	± 5,138 SF
» TOT	AL LAND AREA	± 0.65 Acres

Annualized Operating Data

	Monthly Rent	Annual Rent	Cap Rate
Year 1-5	\$10,416.67	\$125,000.04	5.25%
Year 6-10	\$10,833.33	\$129,999.96	5.46%
Option 1	\$11,458.33	\$137,499.96	5.77%
Option 2	\$12,604.17	\$151,250.04	6.35%
Option 3	\$13,864.58	\$166,374.96	6.99%
Option 4	\$15,251.08	\$183,012.96	7.69%

Tenant Summary

Tenant Trade Name	Chili's
Type of Ownership	Ground Lease
Lease Guarantor	
	Corporate
Lease Type	Absolute NNN
Original Lease Term	10 Years
Lease Commencement Date	1/9/2018
Rent Commencement Date	1/15/2019 *
Options	Four, 5-Year Options
Expected Rent Commencement	





The Offering

PROPERTY NAME	Chili's	
Property Address	5170 N. 9th Ave. Pensacola, FL 32503	
SITE DESCRIPTION		
Number of Stories	One	
Year Built	2018	
GLA	±5,138 SF	
Lot Size	±0.65 AC (28,314 SF)	
Type of Ownership	Fee Simple	
Landscaping	Professional	
Topography	Generally Level	

Tenant Overview

- » Company Name Chili's
 - Locations
- » Year Founded
- 1.606
- » Industry

- Headquarters Dallas, TX
- Website

Chili's Grill & Bar is an American casual dining restaurant chain that features Tex-Mex-style cuisine. The company was founded by Larry Lavine in Texas in 1975 and is currently owned and operated by Brinker International. In 2017 Chili's dropped about 40 percent of its menu items to focus on burgers, ribs, and fajitas. In addition to their regular menu, the company offers a nutritional menu, allergen menu, and vegetarian menu.







Area Overview

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2023 Projection	5,924	65,462	144,639
2018 Estimate	5,688	63,252	139,650
2010 Census	5,354	61,073	135,013
Growth 2018-2023	4.15%	3.49%	3.57%
Growth 2010-2018	6.24%	3.57%	3.43%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2023 Projection	2,889	26,430	58,878
2018 Estimate	2,772	25,513	56,828
2010 Census	2,623	24,932	55,505
Growth 2018-2023	4.22%	3.59%	3.61%
Growth 2010-2018	5.68%	2.33%	2.38%
INCOME	1 - MILE	3 - MILE	5 - MILE
2018 Est. Average Household Income	\$52,997	\$58,098	\$56,154

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PENSACOLA, FL

Located in Florida's panhandle, Pensacola is surrounded by 50-plus miles of coastline which includes the emerald-green Gulf of Mexico waters and crystal clear bay areas. This makes Pensacola the perfect combination of a relaxed beach town and bustling metropolitan center. The temperate climate and a friendly community that is driven toward success presents an unparalleled quality of life.

The city has a proud military heritage, thanks to the Naval Air Station. In addition to being the "Cradle of Naval Aviation," the Pensacola Bay Area is proud to call itself home to the renowned Blue Angels, officially known as the U.S. Navy Flight Demonstration Squadron. Welcoming family or friends for a visit is convenient with our local Pensacola International Airport which offers nonstop air service to nine major U.S. cities, over 1300 domestic flights, and 21 international flights via six major airlines.



ECONOMY

Pensacola, nestled on Florida's Gulf Coast, has long been known as a great place to bring your family for a vacation. Now, Pensacola's rapidly becoming recognized for its vibrant downtown, its outstanding and diverse arts & culture opportunities, and as a place where businesses can grow and thrive.

There are a number of annual festivals, events, historic tours, and landmarks that drive tourism in Pensacola. The Pensacola Seafood Festival and The Pensacola Crawfish Festival held in the heart of historic Downtown has been held for nearly 30 years with live music acts. The Great Gulfcoast Arts Festival is held annually in November in Seville Square often drawing more than 200 regional and international artists as well as The Children's Art Festival which is held in the same park featuring art by children from local area schools. Pensacon is an annual comic convention that is held in February which generates close to 25,000 people to attend from all around the world.







PORT PENSACOLA

Port Pensacola, strategically positioned along the Gulf of Mexico, is Northwest Florida's most diverse and business-focused deepwater port. Port Pensacola is a full-service port offering stevedoring and marine terminal services for all descriptions of bulk, break-bulk, unitized freight, and special project cargo.

A GREAT CLIMATE FOR BUSINESS

- » Pensacola is the legal, commercial, financial, and cultural center of Northwest Florida
- » Business-friendly leadership in the public and private sectors
- » Direct access to Interstate 10 and CSX rail lines
- » Home to Pensacola International Airport, the leading airport between New Orleans and Jacksonville, with five airlines serving more than 1.6 million passengers each year
- » The Port of Pensacola provides a deep-water seaport convenient to the Panama Canal and major shipping routes
- » Pensacola Energy is one of the top 20 municipally owned natural gas utilities in the U.S



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Chili's** located at **5170 N. 9th Ave. Pensacola, FL 32503** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

- 1. The Offering Memorandum and its contents are confidential;
- 2. You will hold it and treat it in the strictest of confidence; and
- 3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or
- its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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